weekly economic review

May 31, 2013

Average Weekly Earnings

Earnings continue to post strong gains

Alberta average weekly earnings increased in March to $1,111, following a strong increase in February. Earnings were 4.6% higher than the same month last year, reflecting increases in average hours worked per week and the average hourly wage rate. Service industry earnings increased an impressive 4.9%, while goods producing industries posted a more modest growth rate of 2.6%. Average weekly earnings in the first quarter of 2013 are 4.0% higher than the same quarter last year.

Nationally, average weekly earnings increased 0.7% to $915, and were 3.1% higher than March 2012.

Rig Activity

Rig count flat compared with last year

The number of rigs drilling in Alberta in May averaged 88, equaling the total from May 2012. This is the first time in twelve months that rig activity did not fall on a year-over-year basis, adding to a trend of smaller declines in rig activity. Despite the positive reading, the month of May is historically the weakest month for drilling as rig activity is heavily influenced by spring time weather conditions.

Interest Rate Decision

Bank of Canada remains on hold

In Governor Mark Carney's last policy announcement, the Bank of Canada left the overnight interest rate unchanged at 1.0%, where it has remained since September 2010. The bank maintained its tightening bias in the medium term but reiterated the continued need for monetary stimulus for a period of time, citing muted inflation pressures and excess capacity in the Canadian economy.

Canadian Economy

GDP growth propelled by net exports

Canada's real GDP grew at the fastest pace in six quarters, advancing at an annual rate of 2.5% in the first quarter of 2013. Net exports, led by energy and mineral products, combined with gains in inventories, drove the quarterly gain. Despite the positive headline growth, annualized growth in household consumption expenditures and business investment was weak at under 1.0%. Investment in residential structures fell, reflecting the slowdown in the national housing market. Government investment also declined.

Total compensation of employees rises

Alberta's total compensation of employees, composed mostly of salary and wages, continued to post impressive gains, advancing 8.2% in the first quarter compared with last year. Alberta's growth in total compensation remains well above the national rate of 4.2%.

Corporate Operating Profits

Oil and gas extraction profits rebound

Operating profits in the Canadian oil and gas extraction industry jumped by 28.3% in the first quarter of 2013. The increase followed six consecutive months of decline, which saw profits fall by 71.0% between the second quarter of 2011 and the fourth quarter of 2012. Operating profits in the wood and paper manufacturing industry also saw a large increase, up 126.4% from the fourth quarter of 2012. Overall, operating profits across all Canadian industries were down 1.2%, mostly due to a 4.7% decline in financial sector profits.

Average Weekly Earnings & Hours (year-over-year % change)

Source: Statistics Canada

Closing Price	May 23, 2013	May 30, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	96.99	97.00	98.14
WTI Oil ($US/bbl)	94.25	93.61	93.47
NYMEX Natural Gas($US/MMBtu)	4.26	4.05	4.12

Alberta Economic Indicators

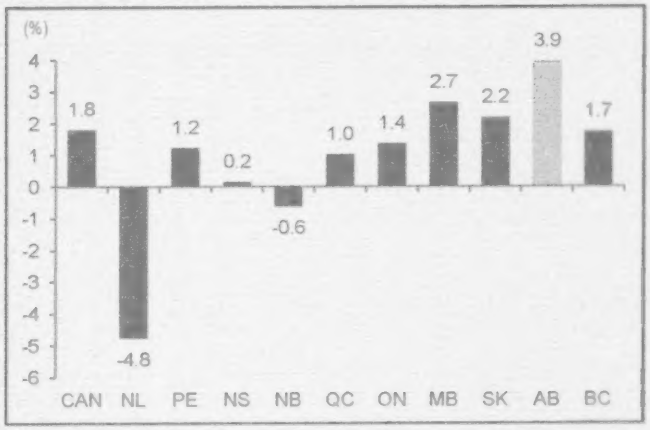
Population	2011	2012	2013YTD	Dec	Jan	Feb	Mar	Apr	May
Population (000's)	3,778	3,874	3,931	..	3,931	..	..	..	..
y/y % change	1.5	2.5	3.0	..	3.0	..	..	..	..
Net Interprovincial Migration[1]	-8,443	28,170	25,448	..	11,533	..	..	..	..
Net International Migration[1]	16,703	37,990	17,105	..	6,296	..	..	..	..
Net Non-permanent Residents[1]	-7,604	9,721	2,813	..	1,133	..	..	..	..
Labour Market									
Employment (000's), SA	2,095	2,149	2,176	2,165	2,175	2,179	2,168	2,183	..
y/y % change	3.8	2.6	2.0	1.5	1.9	2.5	1.7	1.9	..
Unemployment Rate (%), SA	5.5	4.6	4.6	4.5	4.5	4.5	4.8	4.4	..
Participation Rate (%), SA	73.7	73.4	72.7	72.9	72.9	72.9	72.6	72.5	..
NEW: Average Weekly Earnings ($), SA	1,035.70	1,075.46	1,098.18	1,095.14	1,083.82	1,099.51	1111.20	..	..
y/y % change	4.4	3.8	4.0	3.9	3.9	4.5	4.6	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	0.7	0.0	-0.5	0.9	1.2	1.3	..
Excluding food and energy	0.8	1.3	1.1	1.1	0.8	1.4	1.2	0.9	..
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	1.4	3.0	..	..	1.4	..	..
Farm Product Price Index (y/y % change)	17.8	4.4	..	2.7	..	..	..	..	..
Crops	19.7	2.5	..	4.3	..	..	..	..	..
Livestock	17.2	5.9	..	1.4	..	..	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	35.1	30.2	31.0	35.3	34.8	39.2	..
y/y % change	5.0	30.7	6.5	5.5	18.3	10.5	-1.6	1.1	..
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.4	1.9	2.2	2.6	2.4	..	..
Edmonton	0.9	0.9	0.8	1.0	0.9	1.0	0.6	..	..
Calgary	-0.1	1.7	4.0	3.1	3.3	4.3	4.3	..	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	375.6	372.2	367.6	380.1	380.4	374.3	..
y/y % change	0.5	2.6	5.1	5.2	6.6	4.5	5.9	3.4	..
Edmonton ($ 000's)	324.2	332.7	342.5	345.9	337.6	344.0	348.9	339.4	..
y/y % change	-0.7	2.6	2.7	4.4	1.6	2.8	5.4	1.0	..
Calgary ($ 000's)	401.9	410.8	429.3	436.0	422.5	436.7	433.9	423.9	..
y/y % change	1.1	2.2	7.2	6.3	12.4	5.7	6.3	4.6	..
Retail Sales, SA (y/y % change)	6.8	6.9	5.5	2.8	4.3	7.4	4.7	..	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	3.0	0.7	3.6	6.5	0.1	..	..
NEW: Consumer Bankruptcies	7029	5759	1287	346	446	412	429	..	..
y/y % change	-13.8	-18.1	-20.5	-28.4	-13.7	-22.7	-24.5	..	..
Business Sector									
NEW: Rigs Drilling	286	250	303	287	368	422	306	115	88
y/y % change	30.4	-12.6	-9.5	-16.6	8.2	-8.1	-9.4	-18.2	0.0
Goods Exports, customs based (y/y % change)	18.4	1.8	1.4	-13.1	1.5	2.0	1.4	..	..
Energy	19.2	2.1	0.6	-16.9	1.2	4.0	0.6	..	..
Farm, Fishing and Intermediate Food	27.2	20.6	5.3	20.0	3.8	6.7	5.3	..	..
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	10.1	..	..	9.3	..	..
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	-1.8	-5.8	3.0	-0.4	2.0	..	..
Wholesale Trade, SA (y/y % change)	14.7	19.8	4.0	3.7	3.1	6.2	2.8	..	..
Building Permits, SA (y/y % change)	11.8	14.8	28.0	5.4	24.7	19.9	38.2	..	..
Residential	5.2	18.2	14.9	2.2	21.2	7.8	16.2	..	..
Non-residential	20.9	10.7	47.1	13.0	30.6	36.1	69.0	..	..
NEW: Business Bankruptcies	264	230	36	16	10	14	12	..	..
y/y % change	30.2	-12.9	-43.8	11.1	-50.0	-44.0	-36.8	..	..

1 Quarterly, annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

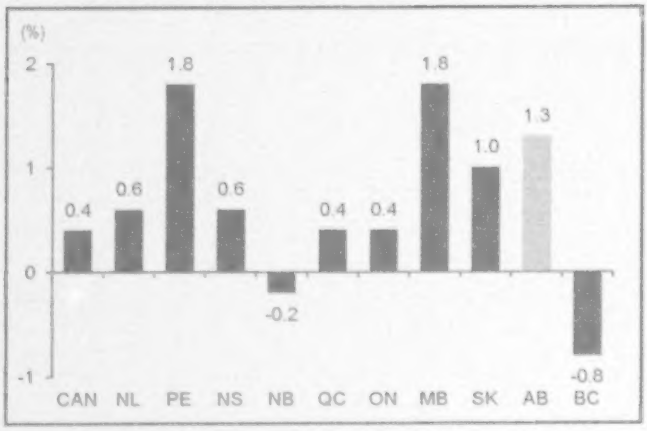
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada)

Economic Indicators by Province

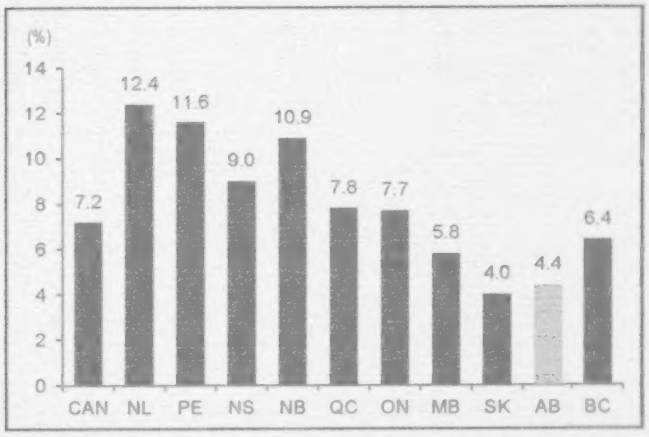
Real GDP by Industry
(2012, year-over-year growth)



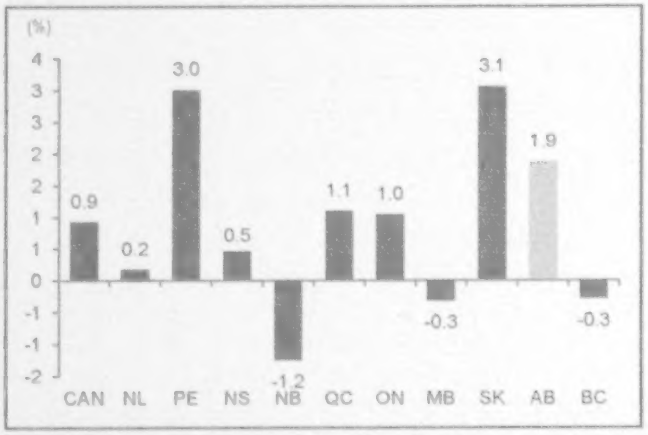
CPI Inflation
(April 2013, year-over-year growth)



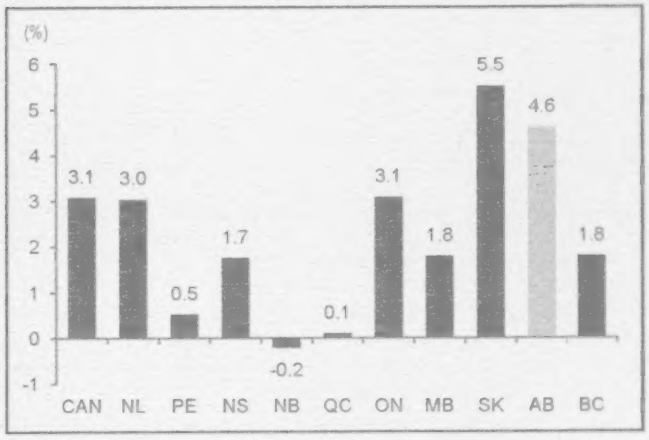
Unemployment Rate
(April 2013)



Employment
(April 2013, year-over-year growth)



Average Weekly Earnings
(March 2013, year-over-year growth)



Housing Starts
(April 2013, SAAR, year-over-year growth)